



U.S. Department of Housing and Urban Development

Oklahoma State Office

National Servicing and Loss Mitigation Center, HUFM

500 W. Main Street, Suite 400

Oklahoma City, OK 73102-2233

<http://www.hud.gov/local/okl/slm/mitihome.html>

July 13, 2000

TO: Lenders servicing FHA mortgages within the City of Baltimore, Maryland

SUBJECT: **Moratorium on foreclosure on FHA Mortgages in Baltimore, Maryland**

As a part of the Secretary's effort to review predatory lending practices as they relate to loan originations, effective today, July 13, 2000, HUD is placing a 90-day moratorium on the foreclosure of FHA insured mortgages in the zip codes listed below in the Baltimore, Maryland area. These zip codes were included in the previous April 10, 2000 moratorium letter. This moratorium is similar to moratoriums declared due to Federal National Disasters (See HUD Handbook 4330.1 Rev. 5, Chapter 14) on properties insured by FHA that are located within the city of Baltimore. The corresponding zip codes are:

21205, 21206, 21213, 21224, and 21231

- This moratorium applies to both the initiation of foreclosure and suspension of foreclosure for cases already in process.
- This moratorium does not affect routine inspections, preservation, and protection, as required by 24 CFR 203.377.
- This does not apply to properties in the affected zip codes that your records indicate are vacant or abandoned as of July 6, 2000, or properties found to be vacant or abandoned through subsequent inspections.
- If the foreclosure sale has already occurred do not suspend the ratification or eviction process. This notification will be in effect for ninety (90) days from July 13, 2000. It will expire on the close of business October 12, 2000.

HUD has established a moratorium page accessible from HUD's Servicing and Loss Mitigation page (<http://www.hud.gov/local/okl/slm/mitihome.html>) to provide copies of all moratorium notifications.

In those cases where the moratorium causes the initiation of foreclosure to occur past the normal deadline of six months after the date of default, the Department will grant an extension of up to ninety (90) days for the mortgagee to initiate foreclosure. This letter is your confirmation for a ninety (90) days extension for those properties affected by this moratorium.

Please maintain a copy of this letter in the individual claim review files to confirm the approved extension.

We are requesting that you supply a list of all mortgages your company services affected by this moratorium. This list should include borrower name, address, account number and FHA Case Number. If you have recently sold or transferred servicing rights of any mortgages affected by this moratorium, please provide us a list of these mortgages, including the new lender's contact information. Please provide the new lender a copy of this letter. You should also respond if you do not have any mortgages in the affected area. This list should be mailed or faxed to my attention no later than July 31, 2000. Our phone number is 888-297-8685 and the fax number is 405-553-7405.

During the moratorium, loan servicers should review each of the affected accounts to ensure that the mortgagors were made aware of the loss mitigation options and that the loss mitigation evaluation required by 24 CFR 203.605 has been completed.

The loss mitigation initiatives to be considered such actions as special forbearance, mortgage modifications, refinancing and partial claims. Other alternatives such as deed-in-lieu and pre-foreclosure sales should be encouraged if the homeowner is not in a position to cure the mortgage delinquency. This letter also authorizes an extension of an additional sixty (60) days to the maximum pre-foreclosure sales period for cases affected by this moratorium to allow sufficient time to market the property.

Sincerely,

Michael B. O'Donnell
Director, Servicing and
Loss Mitigation Center